

Mr. John Jones  
Official Custodian  
Blank Station

Dear Mr. Jones:

By reason of your having been appointed to the position of Chief of Blank Station, you will, in addition to your other duties, be charged with the responsibility for the custodianship of official funds. This is a responsibility of particular gravity and special significance in an organization of this kind which *enjoys the expenditure of and accounting for official monies.*

During the course of your training and briefings preparatory to the assumption of your new duties as well as in your earlier working experience with the Agency, you have been exposed to the organization regulatory system, and you are aware *of* you are responsible *for* compliance with the policies and procedures contained therein. As a custodian of funds, you should be particularly attentive to regulations and handbooks in the 30 series governing financial administration.

The regulations and procedures of this *Organization* governing the obligation and expenditure of confidential funds directly reflect *the* intent of the Government in creating this *Organization* and *for* granting funds for its operation. For this reason, every employee whose duties involve the obligation and expenditure of confidential funds should not only understand the regulations but the underlying philosophies as well.

The basic authority of the *Organization* provides that funds may be expended for any purpose necessary to carry out its functions and are not

necessarily controlled by other laws or regulations relating to the expenditure of Government funds. When funds are expended for confidential, extraordinary, or emergency purposes, they may be accounted for merely on the certification of the Head of this organization. In granting this extraordinary authority, the Government was <sup>expressing</sup> ~~viewing~~ its determination to afford this organization all of the means which might be required in the performance of its mission. Although this authority permits the expenditure and accounting for funds without regard to other laws and regulations, the authority was intended to be used only for purposes necessary to the support of strictly covert operations and the extraordinary or emergency requirements where the nature of the activity precludes compliance with other statutes and procedures, ~~and normal~~ Government audit.

By law the Head of this organization has personal responsibility to the Government for the proper obligation and expenditure of confidential funds. This responsibility he cannot delegate. It is met by the establishment of regulations prescribing sound standards of use and accountability; the establishment of an internal system of checks and balances, audits and inspections; and the delegation of authority for particular actions to levels considered <sup>necessary</sup> to provide the degree of discretionary judgment commensurate with the magnitude or significance of the acts involved. As a custodian of funds, you are in a sense the personal representative of the Head of this organization and are expected to be duly diligent in the fulfillment of the obligations which you thereby inherit.

You are expected to take full advantage of the extraordinary grant of statutory authority over funds in order to obtain maximum security for your operations, to maintain maximum flexibility and diversity for approach to your activities, and to be aggressive in your ability and willingness to exploit fleeting opportunities to further your mission. On the other hand, you must fulfill your grave responsibilities and obligations to the Head of the organization, to the Government, ~~and through it to the people of this country~~ for the effective, honest, and proper use of public funds. In order to maintain the balance between aggressive exploitation of opportunities to further your mission and at the same time satisfy your obligations for the custodianship of funds, it is necessary that you be aware of certain basic principles and criteria which should govern every employee who engages in activities involving the obligation and expenditure of confidential funds. These criteria are of far greater importance than any specific regulations or authorities which the organization may prescribe. Confidential funds may not be used for the solution of administrative difficulties and must not be used to give the employees of this Organization preferred or preferential position in comparison to other Government employees. All obligations and expenditures must be accounted for, and the degree and form of accounting must be ~~the~~ optimum compatible with the maintenance of reasonable security. The normal provisions of law and the established procedures for the expenditure of Government funds will be followed by this Organization in its expenditure of confidential funds, except where it has been determined that they are inappropriate in view of

the security, extraordinary, or emergency nature of our activities.

As a custodian of funds, you must constantly keep in mind your individual <sup>their</sup> responsibility for ~~the~~ proper use, and you must conscientiously weigh objectively the costs involved in any activity and convince yourself that you are making proper, honest, and effective use of public funds. Moreover, you are expected to be particularly attentive to exemplary standards of conduct and behavior not only in the performance of your duties but in the manner in which you conduct your private life. It will be obvious to you that in your position of special trust you will be subjected to an abnormal interest in your private affairs by your colleagues and associates, and you must make a special effort to avoid becoming involved in anything which might tend to cause unwarranted allegations and suspicions about your honesty and integrity. You must conduct your personal financial affairs in the most prudent fashion and avoid extravagances of any kind which might be judged to be beyond your means. [During your tenure as official custodian of funds, you must not frequent gambling establishments or engage in gambling activities of any type or amount. You must be extremely conservative in the use of intoxicating beverages.] You must scrupulously avoid co-mingling of official ~~and~~ and personal funds and ensure that official monies are kept under proper controls and safeguards at all times.

*may not be appropriate for the CBS letter*

Because of the special authority of this organization in the use of the funds and the special trust placed in you as the custodian, you must be meticulous in the extreme in your adherence to the policies and procedures prescribed

by organization regulatory issuances. Under any circumstances where you have doubts about the reasonable and proper course of action, you should seek specific instructions and guidance from Headquarters.